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## OLR Bill Analysis

### HB 6517

#### ***AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE CONCERNING THE INSURANCE DEPARTMENT'S DUTIES, MENTAL HEALTH PARITY COMPLIANCE CHECKS AND THE EXTERNAL REVIEW APPLICATION PROCESS.***

#### **SUMMARY:**

This bill requires the Insurance Department to:

1. review mental health parity compliance check methodologies, hold a public meeting on the methodologies, select and implement a compliance check method, and report to the legislative committees of cognizance on the methodologies and compliance check results;
2. add information on its website about the Office of the Healthcare Advocate (OHA);
3. annually analyze and investigate certain claims denial and utilization review data; and
4. request the U.S. Department of Health and Human Services (HHS) to rule on whether external appeal applicants must provide either an adverse determination notice or an insurance identification card, or both and to act accordingly in response.

EFFECTIVE DATE: Upon passage, except provisions requiring the Insurance Department to (1) annually report on its mental health parity compliance method and (2) add information about OHA on its website, which are effective October 1, 2013.

#### **§§ 3 & 4 — MENTAL HEALTH PARITY COMPLIANCE CHECKS**

##### ***Method Selection***

The bill requires the insurance commissioner, by September 1, 2013,

to report to the Insurance and Public Health committees on the method the Insurance Department will use to check for health insurers' and HMOs' compliance with state and federal mental health parity laws.

In selecting the method to be used, the commissioner must (1) consider and assess methods set forth by the U.S. Department of Labor and URAC (a national accrediting organization) and any other methods brought to the department's attention and (2) hold at least one public meeting at which state agencies, insurers, and the public can share suggestions.

The report must (1) describe and address comments received at the public meeting, (2) assess each potential compliance method examined, and (3) attach written comments and suggestions from the healthcare advocate.

### ***Method Implementation***

The bill requires the insurance commissioner, by October 1, 2013, to begin mental health parity compliance checks using the method selected.

### ***Annual Reporting of Results***

The law requires the insurance commissioner to annually submit a managed care regulation report to the governor and Insurance and Public Health committees. The bill requires the commissioner to include in the report (1) a summary of the mental health parity compliance check methodology and (2) results of the compliance checks.

## **§ 1 — INSURANCE DEPARTMENT WEBSITE**

The bill requires the Insurance Department to prominently (1) link to OHA's website and (2) post a statement that the office can provide healthcare consumers or their authorized representatives free assistance throughout the coverage decision process.

## **§ 2 — ANALYZE CONSUMER REPORT CARD DATA**

The bill requires the insurance commissioner to annually analyze

certain data it receives for the yearly managed care consumer report card for statistically significant differences among insurers and HMOs. The data he must analyze includes (1) claims denial data and (2) utilization review data concerning mental health and chemical dependence services. He must investigate any such differences to determine if further action is necessary.

## **§ 5 — EXTERNAL REVIEW APPLICATION PROCESS**

The bill requires the Insurance Department, by July 31, 2013, to ask HHS, which has established certain external review process requirements, whether it is acceptable to require external review applicants to submit either a final adverse determination notice (e.g., denial letter) or a copy of the insured person's insurance identification card, instead of both.

If HHS responds that either document is sufficient, the department must comply with that determination and require only one, instead of both.

If HHS responds that both documents are required, the department must amend its external review consumer guide or material to include a statement that the insured person or his or her authorized representative can receive, free of charge, a copy of the adverse determination, insurance identification card, or both from the health carrier.

## **BACKGROUND**

### ***Related Bill***

sHB 6612, reported favorably by the Insurance and Real Estate Committee, includes similar requirements for (1) mental health parity compliance checks and (2) analyzing consumer report card data.

## **COMMITTEE ACTION**

Program Review and Investigations Committee

Joint Favorable

Yea 10      Nay 0      (03/14/2013)